

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05  
SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02  
OMB-01 /086 W

-----182241Z 070633 /73

P 182013Z MAY 77

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 0541

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DEPT PLEASE PASS ALL ARA DIPLOMATIC POSTS

E.O. 11652: N/A

TAGS: OAS, ETRD, AR

SUBJECT: VII REGULAR MEETING OF SPECIAL COMMITTEE FOR CONSULTATION  
AND NEGOTIATION

1. VII REGULAR MEETING OF SPECIAL COMMITTEE FOR  
CONSULTATION AND NEGOTIATION (SVTN) GOT UNDERWAY MAY 17.  
FIRST DAY'S SPEECHES AND INTERVENTIONS SET A STANDARD  
OF SERIOUS AND TECHNICAL COMMENTARY ON U.S. TRADE ACTIONS  
THAT WE HOPE WILL CONTINUE TO END OF WEEK LONG MEETING.  
LATIN AND CARIBBEAN DELEGATES HAD CAUCUSED MAY 16  
BUT DID NOT RPT NOT DEVISE ANY DECLARATIONS OR RESOLU-  
TIONS WITH WHICH TO CONFRONT U.S. DELEGATION THE  
FOLLOWING DAY. CHAIRMAN OF MEETING IS ARGENTINE SECRETARY  
OF STATE FOR FOREIGN TRADE ALBERTO FRAGUIO; FIRST  
VICE CHAIRMAN COSTA RICAN VICE MINISTER OF ECONOMY AND  
TRADE ODALIER VILLALOBOS GONZALEZ; SECOND VICE CHAIRMAN U.S.  
DEPUTY ASSISTANT SECRETARY DESIGNATE RICHARD ARELLANO  
(THIS SPOT TRADITIONALLY GOES TO HEAD OF U.S. DELEGATION);  
RAPPORTEUR MEXICAN DIRECTOR GENERAL OF INTERNATIONAL  
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TRADE NEGOTIATIONS ABEL GARRIDO.

2. PRELIMINARY SKIRMISHING ON OPENING DAY SAW  
URUGUAY AND COLOMBIA ATTEMPT TO MODIFY DRAFT AGENDA.  
URUGUAY SUCCEEDED IN EXPANDING AGENDA ITEM 5 TO  
INCLUDE "DAMAGE THAT COULD DERIVE FROM THE APPLICATION  
OF THE U.S. TRADE ACT TO LATIN AMERICAN EXPORTS,"

WHICH REALLY IS INTENDED TO GIVE GREATER EMPHASIS TO DISCUSSION OF COUNTERVAILING DUTIES. URUGUAY'S SUGGESTION THAT THIS ITEM BE PUT AHEAD OF THE EVALUATION

OF GSP, AND THUS BECOME THE FIRST SUBSTANTIVE TOPIC OF THE MEETING, FORTUNATELY DID NOT PROSPER. NEITHER DID THE COLOMBIAN PROPOSAL TO ADD A NEW AGENDA ITEM ON THE PRINCIPAL RESOLUTION ADOPTED AT THE RECENT IA-ECOSOC MEETING, A CATALOGUE OF ECONOMIC ISSUES GOING WELL BEYOND TRADE QUESTIONS WHICH HAD BEEN APPROVED WITH A U.S. ABSTENTION. BRAZILIAN DELEGATE MADE VERY REASONABLE AND PERSUASIVE COMMENTS ON BOTH THESE INITIATIVES THAT HELPED PREVENT THEIR SUCCESS.

3. SPEECHES BY URUGUAY'S JOSE MARIA ARANEO, OUTGOING SCCN CHAIRMAN; NEW CHAIRMAN FRAGUIO; AND BY OAS EXECUTIVE SECRETARY SANTIAGO MEYER PICON, REPRESENTING SECRETARY GENERAL ORFILA, WERE THOUGHTFUL AND RELATIVELY CONSTRUCTIVE EFFORTS. PERCEIVED PROTECTIONIST TENDENCIES OF SOME U.S. SECTORS RECEIVED APPROPRIATE ATTENTION, WITH MEYER PICON ATTEMPTING TO PUT INTERNAL U.S. PRESSURES IN PERSPECTIVE FOR LATIN DELEGATES TO APPRECIATE DYNAMICS OF U.S. TRADE POLICY FORMULATION. ARANEO REVIEWED U.S.-LATIN TRADE RELATIONS, WITH FAVORABLE REFERENCE TO PRESIDENT CARTER'S RECENT DECISIONS ON SHOES AND SUGAR BUT ASSERTING THE BARRIERS TO TRADE CONTINUE TO GROW. HE PREDICTABLY ASKED FOR SPECIAL AND DIFFERENTIAL TREATMENT ON COUNTERVAILING DUTIES. CONCERNING GSP, HE LAMENTED ECUADOR-VENEZUELA EXCLUSION, LIMITED OFFICIAL USE

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AND CITED STATISTICS WHICH HE INDICATED SHOW LIMITED GSP IMPACT IN ITS FIRST YEAR. FRAGUIO REPEATED SEVERAL OF THE SAME THEMES, AND EMPHASIZED ARGENTINA'S CONCERN ABOUT COMPETITIVE NEED RESTRICTIONS, AND WHAT IT SEES AS UNCERTAINTIES ARISING FROM POSSIBILITY OF WITHDRAWING GSP ELIGIBILITY FROM VARIOUS PRODUCTS.

4. PLENARY SESSION OPENED WITH LONG BRAZILIAN CRITIQUE OF GSP, QUITE TECHNICAL IN NATURE, PARTICULARLY DEALING WITH RULES OF ORIGIN, COMPETITIVE NEED, GSP REVIEW PROCEDURES INCLUDING METHOD OF ADDING NEW PRODUCTS OF INTEREST TO LATIN AMERICAN AMERICA. COLOMBIA FOLLOWED WITH SIMILAR ARGUMENTS ADDING CONCERN ABOUT EXCLUSION OF SENSITIVE PRODUCTS FROM GSP, AND ABOUT UNDERUTILIZATION OF GSP FOR ELIGIBLE PRODUCTS. FURTHER INTERVENTIONS MAY 17 FOLLOWED PATTERN SET BY BRAZIL AND COLOMBIA. MEXICO HELD OFF FOR THE NEXT DAY, WHEN U.S. DELEGATION WILL MAKE ITS FIRST SUBSTANTIVE GSP COMMENT. IF MEETING STAYS ON THIS TECHNICAL LEVEL IT MIGHT PROVE

TO BE USEFUL AND SUCCESSFUL.  
CHAPLIN

NOTE BY OC/T: NOT PASSED ALL ARA DIPLOMATIC POSTS.

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETING AGENDA, MEETING REPORTS, SPEECHES, GENERALIZED PREFERENCES (TARIFFS), COUNTERVAILING DUTIES  
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**Disposition Date:** 22 May 2009  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Office:** ACTION ARA  
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**Subject:** VII REGULAR MEETING OF SPECIAL COMMITTEE FOR CONSULTATION AND NEGOTIATION  
**TAGS:** ETRD, AR, XL, XM, XK, XR, US, OAS, SCCN  
**To:** STATE  
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